



## Missouri Department of Elementary and Secondary Education

— Making a positive difference through education and service —

December 18, 2001

**TO:** School District Administrators

**FROM:** Gerri Ogle, Associate Commissioner, Administrative and Financial Services  
Dale Carlson, Director, School Finance  
Tom Quinn, Director, School Governance

**RE:** December Financial/Governance/Transportation Information

### Enclosures in this mailing

The following documents are included in this envelope if applicable to your district:

November Foundation Payment Sheet  
December Payment Sheets  
December Basic Formula Calculation  
Review of Audit File (if applicable)

### Prior Year (2000-01) Proration Factor - Basic Formula Adjustment

Each year the prior year apportionment is recalculated from November through the following June. Therefore, the amount per eligible pupil (EP) for 2000-01 will be recalculated each month from November 2001 through June 2002. There will likely be prior year corrections in each of the remaining months of the 2001-02 payment year due to continued data corrections which change the 2000-01 Line 1B proration factor. Only districts with a 2000-01 Basic Formula tax rate greater than \$2.75 are affected by the reduction in the Line 1B proration factor. A detailed explanation for the prior year apportionment recalculation was provided in the November 2001 memorandum. The 2000-01 Line 1 proration factor has decreased from the June 2001 factor as follows:

	<u>Line 1A</u>	<u>Line 1B</u>
June 2001 Proration Factor:	1.00000000	1.00000000
November 2001 Recalculation of the 2000-01 Proration Factor:	1.00000000	0.98007406
December 2001 Recalculation of the 2000-01 Proration Factor:	1.00000000	0.97975612

### Current Year (2001-02) Proration Factor

The proration factor used on Line 1 in the December, 2001 Basic Formula calculation was 1.00. While this factor may change every month, it is not expected to decrease below 1.00000000 through June 2002.

November 2001 (Current Year) Proration Factor:	1.00000000
December 2001 (Current Year) Proration Factor:	1.00000000

### September Membership

Several districts have not entered September membership on the WEB Core Data Screen 16. Please enter the September membership (and enrollment) data on Screen 16 as soon as possible. Remember to "save" on each screen after the membership data have been entered for each grade level. School Finance plans to send September Membership reports to each school district for review in January and it is important that the membership data have been entered.

## 2002 ACH Transmittal Dates

The 2002 Automated Clearinghouse (ACH) transfer dates as provided by the DESE Accounting Section are:

PROPOSITION C	REGULAR SCHOOL PAYMENT
January 15, 2002	January 22, 2002
February 15, 2002	February 21, 2002
March 15, 2002	March 21, 2002
April 15, 2002	April 22, 2002
May 15, 2002	May 21, 2002
June 14, 2002	June 21, 2002
July 15, 2002	July 22, 2002
August 15, 2002	August 21, 2002
September 13, 2002	September 20, 2002
October 15, 2002	October 21, 2002
November 15, 2002	November 21, 2002
December 13, 2002	December 20, 2002

## Transportation Revenues and Expenditures Coding Changes (Effective Immediately)

The following Missouri Financial Accounting Manual modifications relating to interdistrict transportation revenues and expenditures are effective for the **current (2001-02) school year**. These changes will be incorporated into the next revision of the Missouri Financial Accounting Manual. Please make the following corrections to the district accounting manual to reflect these changes.

Revenue Code Changes (Missouri Financial Accounting Manual, Page 122):

- 5841     Transportation Amounts Received From Other LEAs  
Amounts received through an interdistrict contract for transportation of other districts' non-handicapped students. **(Text change only)**
- 5842     Transportation Amounts Received From Other LEAs for Handicapped Transportation  
Amounts received through an interdistrict contract for transportation of other districts' handicapped students. Include amounts received from a district serving as a fiscal agent for Early Childhood Special Education (ECSE) transportation. **(New revenue code)**

Function Code Change (Missouri Financial Accounting Manual, Page 142):

- 2555     Payments to Other Districts for Non-Handicapped Transportation  
Amounts paid to another school district for non-handicapped student transportation services provided through an interdistrict contract. **(Text change only)**
- 2556     Payments to Other Districts for Handicapped Transportation  
Amounts paid to another school district for handicapped student transportation services provided through an interdistrict contract. **(New function code)**

See the **School Transportation** section of this memo for more information regarding these coding changes.

## Review of Audit File Memo

School districts are required to submit to DESE their audit reports, a copy of the management letter (if the auditor prepares one) and a copy of the board minutes or board resolution accepting the audit report. Many 2000-01 audit reports were submitted without one or both of these items. Districts missing one or both of the required documents will receive a Review of Audit File memo. These documents are a part of the audit packet and should be submitted to School Finance as soon as possible.

### Audit Submission Extension Deadline (December 31)

The 1999-2000 and 2000-01 audit reports were due by **October 31, 2001**. Section 165.121(4), RSMo allows for an extension beyond the required October 31 audit submission deadline for a period of time "not to exceed sixty days". A sixty-day extension was granted to districts requesting it. However, the law does not permit an extension beyond sixty days. State law does not authorize or allow an extension beyond December 31. Section 165.121, RSMo further states that for districts with an audit report "not filed within the period or extension thereof, further state aid to the district shall thereafter be withheld until the audit report has been received by the department of elementary and secondary education" (emphasis added).

*If an extension was granted and the audit report is not postmarked by December 31, 2001, the January, 2002 Basic Formula and Line 14 money shall be withheld.* That payment will be released with the February payment if the audit report is received by the time the February payment is processed by DESE. Otherwise, the payment will continue to be withheld until the next regular payment to the district after receipt by DESE of the audit report. The school district is responsible for sending to School Finance a copy of the audit report, accompanying management letter issued by the independent auditor, if applicable, and a copy of the board minutes indicating approval of the audit report. The audit report may be submitted to DESE prior to board approval. The district is not expected to have a special board meeting at the end of December to approve the audit report. The board minutes may be mailed at a later date.

### Audit Report Filing Requirements

In addition to sending one copy of the audit report to DESE, School Finance Section, the following are federal filing requirements:

- \* School districts that expend more than \$300,000 in federal funds (in total, not per program) are required to submit a data collection form and reporting package to the Federal Audit Clearinghouse at the U.S. Bureau of Census within the earlier of 30 days from the receipt of the audit report or nine months after the end of the audit period (March 31, 2002). The reporting package consists of the complete audit (financial statements and auditor's reports) and, as necessary, a summary schedule of prior audit findings and a corrective action plan for current year audit findings. Reports should be submitted to:

**Federal Audit Clearinghouse  
Bureau of the Census  
1201 E. 10th St.  
Jeffersonville, IN 47132**

- \* School districts whose audit report disclosed current or prior year findings and questioned costs related to **direct** federal assistance (directly from a federal agency rather than through DESE) are required to submit the data collection form and reporting package to each federal department or agency that provided federal assistance funds no later than 30 days after receiving it from the auditor.
- \* School districts that expend less than \$300,000 in total federal funds are not required to send a copy of the audit report to the Federal Audit Clearinghouse.

### Financially Stressed School Districts – Update

The November 2001 memo listed four districts identified as financially stressed. Two other districts have recently been added to the list. The six districts identified as financially stressed are:

048-072 Hickman Mills C-1  
059-117 Chillicothe R-II  
060-077 McDonald Co. R-I

062-070 Marquand-Zion R-VI  
090-075 Centerville R-I  
092-088 Francis Howell R-III

## SCHOOL GOVERNANCE

There are no School Governance topics this month.

## ***SCHOOL TRANSPORTATION***

### **2001-02 Second State Transportation Aid Calculation**

Enclosed is a copy of the school district's December 2001 state transportation aid calculation (BU110) for the 2001-02 payment cycle. This is the second live state transportation payment made for the current year. The calculation is based on 2000-01 school year data submitted by the district on the state transportation aid documents (Application for State Transportation Aid, School Bus and Facility Depreciation Schedules) and the Annual Secretary of the Board Report (ASBR).

The percent of reduction to the calculated entitlement computed for the December 2001 payment is 9.566995. This reduction percentage represents the amount the entitlement exceeded the appropriation. Remember this percentage will fluctuate from month to month as revisions are made to individual school district data.

For districts using the transportation aid calculation computer program, the December 2001 state constant for the A factor is 2.084178 and the B factor is 1.472381.

### **Transportation Calculation Excel Spreadsheet Website Link**

A new link has been added to the School Transportation website under Entitlement Calculation. This link is a Microsoft Office Excel spreadsheet of the transportation aid calculation. After the district downloads this program, the district simply inputs the ridership, mileage, expenditure and revenue data and the program will calculate the district's transportation aid based on that data. The district then saves the program on its computer. The proration percentage and the state constant A and B factors must always be updated with the latest and/or projected numbers.

### **Transportation FAQ Website Link**

A transportation frequently asked questions link has also been added to the School Transportation website. It includes general transportation questions and answers, as well as questions and answers concerning school transportation funding, drivers and licensing issues, and a contact list for transportation related information.

### **Interdistrict Contracts – Handicapped and Non-Handicapped Transportation Services**

Modifications have been made in the revenue and expenditure codes for recording transactions of interdistrict transportation contracts to separate handicapped and non-handicapped services. These codes were provided in the School Finance portion of this memo. The following information defines terms related to interdistrict contracts for transportation services and clarifies the reporting of data associated with such contracts:

#### **Interdistrict Contract**

A contract between school districts specifying the conditions and compensation for one district to transport students living in another district.

#### **Non-Handicapped Route**

Bus route for transporting students. Students with an IEP or 504 Plan requiring special transportation accommodations may be transported with other students if appropriate and efficient.

#### **Handicapped Route**

Dedicated bus route established to appropriately and efficiently transport students with an IEP or 504 Plan requiring special transportation accommodations. Non-handicapped students may be transported on these routes if appropriate and efficient. However, the majority of the students on a handicapped route require special transportation accommodations.

#### **Ridership and Reporting**

Ridership is the October and February list of students regularly riding the bus. The district providing the transportation service must report to the resident district the ridership associated with transporting the resident district's students per the interdistrict contract. The resident district will report the ridership for a handicapped route under contracted handicapped transportation on the Application for State Transportation Aid. The

resident district will report the ridership for a non-handicapped route under contracted K-12 transportation on the Application for State Transportation Aid.

**Mileage and Reporting**

The district providing the transportation service must report to the resident district the mileage associated with transporting the resident district's students per the interdistrict contract. The resident district will report the mileage for a handicapped route under contracted handicapped miles on the Application for State Transportation Aid. The mileage for a non-handicapped route is to be reported under contracted non-handicapped miles on the Application for State Transportation Aid.

**Contracting District to Reimburse District Providing Transportation**

The school district providing the transportation will bill the district of residence 100% of the cost involved in transporting the resident district's students and code the expense to Function Code 2553-Contracted Handicapped Transportation or 2554-District Operated Handicapped Transportation.

The district of residence will code the payment of expenses to Function Code 2556-Payments to Other Districts for Handicapped Transportation or Function Code 2555-Payments to Other Districts for Non-Handicapped Transportation.

The district providing the transportation service will code the revenue received from the district of residence to Revenue Code 5842-Transportation Amounts Received From Other LEAs for Handicapped Transportation or Revenue Code 5841-Transportation Amounts Received from Other LEAs.

Please contact School Finance/Transportation at (573) 751-0357 if you have any questions or visit the website at [www.dese.state.mo.us/divschsvc/trans](http://www.dese.state.mo.us/divschsvc/trans).

*The staff in School Administrative Services wishes you a safe and happy holiday season.*